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Polar Vortex May Create Opportunities for U.S. Wines in Canada

Report Categories:

Agricultural Situation

Agriculture in the News

Wine

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Report Highlights:

The recent polar vortex has caused extremely low temperatures in Ontario, Canada's top growing region, causing damage to some buds. Opportunities may exist for U.S. wineries in the wake of a smaller harvest.

General Information:

It appears likely that the Ontario wine harvest in 2014 will be greatly reduced due to the extremely cold temperatures brought on by the polar vortex in January. All three of the province's primary appellations recognized by the Vintners Quality Alliance (VQA) – The Niagara Peninsula, Prince Edward County and Lake Erie North Shore – have experienced lower than normal temperatures. The VQA appellations account for over 90 percent of the wine grown in the province. Growers in Ontario have been using fans to circulate warmer air down to the ground, though conditions at time have been too windy to be effective.

Hybrid varietals bred for colder climates may hold up well, but those traditionally grown in warmer climates are more sensitive and have already seen significant damage to their buds. Viticulturists at Brock University have put the survival rate for Merlot at just 14 per cent. In 2013 (the VQA's reporting year runs from April 1st to March 31st) the VQA regions produced 1,255,762 litres of Merlot, its most popular red wine. Brock University maintains a database of expected survival rates of buds in Ontario at: <http://www.ccovi.ca/vine-alert/bud-survival>.

Sales of Still Red Wine in Canada by Grape/Varietal Type: % Total Volume 2007-2012

% total volume	2007	2008	2009	2010	2011	2012
Cabernet Sauvignon	15.6	16.0	17.5	17.5	17.7	17.8
Cabernet Sauvignon/Shiraz	6.0	6.5	7.0	8.0	8.1	8.2
Garnacha/Grenache	3.9	3.8	4.0	3.0	2.9	2.7
Merlot	19.4	19.6	20.0	20.0	20.1	20.2
Pinot Noir	8.2	8.0	7.8	7.4	7.2	7.0
Sangiovese	4.0	4.5	5.0	4.8	4.8	4.9
Shiraz/Syrah	14.3	15.0	17.0	17.3	17.3	17.3
Others	28.6	26.6	21.7	22.0	21.9	21.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

The 2013 harvest set new records for Ontario with 79,756 tonnes gathered, which will produce approximately 55.8 million litres of wine. Ontario is Canada's leading producer of wine, meaning that a smaller harvest in the province may create opportunities for U.S. wines in the Canadian market. The Liquor Control Board of Ontario (LCBO) maintains a fixed amount of shelf space for wines produced in the province, however opportunities may be found in other provinces or by wineries producing the varietals hardest hit during the cold spell. British Columbia is second in production with 27,275 tons harvested in 2012 (the last year for which data is available).

The United States is already the third largest supplier of wine to Canada in terms of both value and volume. Only France and Italy export more wine. Quebec is the largest importer of wine overall, but Ontario is the largest importer of U.S. wines. For a more detailed look at the sector, FAS Canada recently published an [Overview of the Wine and Spirits Sector in Canada](#). The table below outlines each province's wine imports:

Canadian Imports of Wine — Provincial Breakdown

Value in U.S. Dollars

	2010	2011	2012	% Growth 2011/2012
Quebec	642,081,110	756,671,223	732,924,983	-3.1%
From U.S.	72,349,357	85,678,621	75,573,664	-11.8%
Ontario	549,538,436	591,835,463	631,512,054	6.7%
From U.S.	88,597,899	109,613,905	138,825,622	26.7%
Alberta	235,809,198	268,687,865	293,225,278	9.1%
From U.S.	54,651,167	73,497,259	91,611,236	24.7%
British Columbia	173,466,367	181,388,198	197,874,781	9.1%
From U.S.	35,885,920	38,417,752	43,199,834	12.5%
Nova Scotia	29,139,359	33,741,686	32,890,916	-2.5%
From U.S.	5,186,042	5,974,413	5,497,982	-8.0%
Manitoba	25,720,942	30,683,174	32,017,415	4.4%
From U.S.	3,992,537	5,478,50	7,587,144	38.5%
Newfoundland and Labrador	14,757,249	16,407,452	19,374,174	18.1%
From U.S.	2,233,857	2,883,072	3,417,239	18.5%
New Brunswick	15,188,417	14,378,348	17,221,507	19.8%
From U.S.	2,252,966	2,392,161	3,264,015	36.5%
Saskatchewan	12,461,565	13,489,590	15,283,707	13.3%
From U.S.	3,278,621	3,879,033	5,144,745	32.6%
Prince Edward Island	2,873,857	3,639,741	3,375,246	-7.3%

From U.S.	619,137	754,891	799,343	5.9%
Total	1,701,036,498	1,910,922,741	1,975,700,062	3.4%
From U.S.	269,047,506	328,569,611	374,920,824	14.1%
Source: Global Trade Atlas, HS 2204				

For further reading on the effect of extreme temperatures on Ontario wine production, the following articles may be of interest:

<http://www.cbc.ca/news/canada/windsor/much-of-grape-crop-basically-toast-due-to-cold-january-1.2504742>

<http://blogs.windsorstar.com/2014/01/03/bitter-cold-coming-monday-scares-winemakers/>

<http://blogs.windsorstar.com/2014/01/15/2013-ontario-grape-harvest-breaks-records/>